

ORDINANCE NO. _____

1 AN ORDINANCE amending Section 2.62.020 of the Lincoln Municipal Code
2 to amend the definition of regular pay to include bi-weekly Post Employment Health Plan
3 (PEHP) contributions for purposes of calculating pension benefits for participants in Police and
4 Fire Pension Plan "A"; and repealing Section 2.62.020 of the Lincoln Municipal Code as
5 hitherto existing.

6 BE IT ORDAINED by the City Council of the City of Lincoln, Nebraska:

7 Section 1. That Section 2.62.020 of the Lincoln Municipal Code be amended
8 to read as follows:

9 **2.62.020 Definitions.**

10 As used in this chapter, and unless the context otherwise requires, the following words
11 shall have the following meanings:

12 **Actuarial equivalent.** The computation of the actuarial equivalent shall be according
13 to the group annuity mortality table 1971, and interest of six percent per annum, compounded
14 annually.

15 **Age and service retirement benefits** shall include pension benefits payable to members
16 who meet applicable age and service requirements and who elect to retire, and shall not
17 include disability retirement benefits.

18 **Base pay** shall include a member's base rate of pay, longevity, and shift differential and
19 shall exclude any other additional form of pay or benefit.

20 **City** shall mean the City of Lincoln, Nebraska.

21 **Disability retirement benefit** shall mean a benefit payable as a result of permanent and
22 total disability while in the commissioned service of the City.

23 **DROP** shall mean the Deferred Retirement Option Plan as provided in Section
24 2.62.045. The Deferred Retirement Option Plan shall be treated as a defined contribution
25 plan for Police and Fire Plan A members. The DROP is intended to meet the requirements of
26 Internal Revenue Code Section 414(i).

27 **DROP contributions** shall mean optional contributions paid to the member's DROP
28 account by the member while enrolled in the DROP program. The contribution percent shall
29 be set forth in the applicable mayoral executive order for Plan A members.

1 **DROP period** shall mean the amount of time the member elects to participate in the
2 DROP which shall be for a period not to exceed five years from and after the date of the
3 member's DROP election.

4 **Eligible pension benefit payment** shall mean regular age and service retirement benefits
5 determined in accordance with Sections 2.62.050 and 2.62.110(c) of the plan but frozen as
6 of the date the DROP is elected by the member.

7 **Former member** shall mean a member who has terminated his or her service with the
8 commissioned fire or police service of the City.

9 **Member** shall mean any individual in the commissioned fire or police service of the
10 City who, pursuant to Section 2.62.200 of this chapter, elected to make required contributions
11 of eight percent (8%) of base pay to the plan, and any individual whose employment in the
12 commissioned police or fire service commences on or after the operative date of this plan;
13 provided, however, the Police Chief and the Fire Chief shall not be eligible to participate in
14 this plan.

15 **Military service** shall include service in the U.S. Army, Navy, Air Force, Marine Corps
16 and any branch of service connected therewith.

17 **Normal retirement age** shall be attained age fifty.

18 **Partial annuity benefit** shall mean a benefit payable to a member who terminates
19 employment after completing ten years of service, but before completing twenty-one years of
20 service.

21 **Plan** shall mean the Police and Fire Defined Benefit Pension Plan, Pension Plan "A" of
22 the City.

23 **Regular interest** shall mean the rate of interest earned each calendar month, as
24 determined by the City in conformity with the actual earnings on investments of the Police and
25 Fire Pension Fund. Whenever such interest is required to be credited to any member under
26 the provisions of this title, such interest during any calendar month or portion of such month
27 shall be based upon his or her accumulated contributions, plus regular interest thereon, on the
28 first day of that month.

29 **Regular pay** shall mean the member's base pay and Post Employment Health Plan
30 (PEHP) contribution for the last consecutive twenty-six bi-weekly pay periods. In case of a
31 demotion, or out of class pay, it shall mean the highest consecutive twenty-six bi-weekly pay
32 periods.

33 **Required contributions** shall mean contributions of eight percent (8%) of a member's
34 base pay.

35 **Retire or retirement** shall mean the termination of service in the commissioned fire or
36 police service of the City upon or after fulfilling all conditions of eligibility for retirement, and
37 shall include regular, early, and disability retirement.

1 **Survivor beneficiary** shall mean the natural person having an insurable interest
2 designated in writing by the member to receive benefits under this plan in the event of and
3 after the death of a member.

4 **Total disability** shall mean (a) the physical incapacity of a member to perform the work
5 of a firefighter or police officer resulting from violence to the physical structure of the body
6 and such physical disease or infection as naturally results therefrom, or (b) mental disorder
7 (excluding mental deficiency and personality disorder) of a member, diagnosed in accordance
8 with the American Psychiatric Association Manual, 1980 Edition, which is sufficiently severe
9 so as to warrant a minimum rating of fifty percent under the general rating formula set forth
10 in 38 C.F.R. § 4.132 (7-1-93 Edition) [See Appendix A].

11 **Year of service** shall mean a period of twelve full calendar months during which a
12 member is employed in a pay status in the commissioned service of the City. Partial years
13 credit for service shall be computed on a prorata basis.

14 Section 2. That Section 2.62.020 of the Lincoln Municipal Code as hitherto
15 existing be and the same is hereby repealed.

16 Section 3. That this ordinance shall take effect and be in force from and after
17 its passage and publication according to law.

Introduced by:

Approved as to Form & Legality:

City Attorney

Staff Review Completed:

Administrative Assistant

Approved this ___ day of _____, 2001:

Mayor